

PANHANDLE REGIONAL REVIEW COMMITTEE GUIDEBOOK

2011-2012 TxCDBG PROGRAM

REVISED: July 9, 2010

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PART I - INTRODUCTION

PANHANDLE REGIONAL REVIEW COMMITTEE GUIDEBOOK

2011-2012 TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The Panhandle Regional Review Committee (RRC) Guidebook has been prepared in accordance with the 2011 TxCDBG Action Plan and the 2011-2012 Regional Review Committee Scoring and Training Guidelines for the Community Development Fund. The Guidebook provides eligible applicants from the Panhandle region with the application guidelines necessary to be scored under the Pandhandle RRC scoring criteria.

Any questions regarding the RRC or the Guidebook should be directed in writing after the Panhandle RRC Guidebook has been published in the website of the Texas Department of Rural Affairs to:

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PART II - PANHANDLE RRC APPROVED ACTIONS

1. The PANHANDLE RRC held its required Public Hearing on June 3, 2010 to hear public comments on the proposed objective scoring criteria, and to approve the RRC Guidebook, project priorities and the objective scoring criteria.
2. The RRC selected the Rio Grande Council of Governments as support staff to develop and disseminate the 2011-2012 RRC Guidebook. The RRC selected the Rio Grande Council of Governments as support staff to calculate the RRC scores and provide other administrative RRC support.
3. The RRC established the maximum grant amounts for the region:
 - Single jurisdiction: \$275,000
 - Multi-jurisdictions: \$350,000.00
4. The RRC did not establish set-asides for housing and non-border colonia projects.
5. The RRC opted out of the Forward Commitment Pilot Project Program.

PART III - PANHANDLE RRC SUMMARY OF OBJECTIVE SCORING CRITERIA

Total PANHANDLE RRC Points: **120 points**

- **PROJECT TYPE/PRIORITY: Total points 45**
 1. Is the project categorized as one of the first priority activities for the region?
(45 Points Maximum)

- **FINANCIAL CAPABILITY: Total points 30**
 2. Has the applicant or the service provider increased the appropriate utility (water or sewer) rate, and/or the ad valorem tax rate above the effective tax rate or reached the maximum constitutional rate for the governmental type in the last two-year period, and/or has incurred bonded indebtedness (effective date of increase: January 1, 2008 to January 1, 2010) as related to the project(s) being submitted for TxCDBG funding? **(30 Points Maximum)**

- **MATCH LEVERAGE: Total points 25**
 3. What is the applicant's match amount?
(25 Points Maximum)

- **PER CAPITA: Total points 10**
 4. What is the per capita income of the applicant's jurisdiction?
(10 Points Maximum)

- **PREVIOUS FUNDING: Total points 10**
 5. Did the applicant receive TxCDBG funding in the previous 2009/2010 funding cycle? **(10 Points Maximum)**

PART IV - PANHANDLE RRC OBJECTIVE SCORING CRITERIA

• **Project Type/Priority: Total points 45**

1. Is the project categorized as one of the first priority activities for the region?
(45 Points Maximum)

Project is for First Priority activities as listed below:

- Water/Wastewater/septic tanks/yard lines **45 points**
- Streets/Roads/Drainage/Fire & EMS **40 points**
- All Other Activities **5 points**

Methodology:

The CD Application Table 1 verified by TDRA will be reviewed to determine the appropriate project type category based on TxCDBG funds requested and points will be assigned. Projects that include multiple priority levels must be prorated based on percentage of TxCDBG dollars. Using as a base figure the TxCDBG funds requested minus the TxCDBG funds requested for administration, a percentage of the total TxCDBG construction and engineering dollars for each activity is calculated. (Engineering dollars will be assigned either on a pro-rata basis or on the actual dollars applicable to each activity.) Administration dollars requested is applied on pro-rata to these amounts. The percentage of the total TxCDBG dollars for each activity is then multiplied by the appropriate score and the sum of the calculations determines the score. Related acquisition costs are applied to the associated activity.

Data Source: CD Application Table 1 Verified By TDRA

Information Needed From Applicant to Score:

List of projects submitted by type as stated in Table 1 (list as many as applicable):

1. _____
2. _____
3. _____

• **FINANCIAL CAPABILITY: Total points 30**

2. Has the applicant or the service provider increased the appropriate utility (water or sewer) rate, and/or the ad valorem tax rate above the effective tax rate or reached the maximum constitutional rate for the governmental type in the last two-year period, and/or has incurred bonded indebtedness (effective date of increase: January 1, 2008 to January 1, 2010) as related to the project(s) being submitted for TxCDBG funding?
(30 Points Maximum)

Mark All Applicable:	YES	NO
Increase in Utility (Water or Sewer) Rates:		
Increase in Ad Valorem Tax Rate above the Effective Tax Rate or reached the maximum constitutional rate:		
Incurred Bonded Indebtedness related to Water or Sewer:		

Applicant Answers Yes to Two of Three of the Above Criteria: **30 points**

Applicant Answers Yes to One of Three of the Above Criteria: **25 points**

Applicant Answers No to All Three of the Above Criteria: **0 points**

For example: if applicant says yes to at least two of the three factors, applicant will receive 30 points. If applicant says yes to one of three questions, applicant will receive 25 points. See examples below:

EXAMPLE 1

Increased appropriate utility rate: YES, Ad valorem tax rate above the effective tax rate or reached max rate: YES, Has incurred bonded indebtedness: NO

Applicant would receive 30 points

EXAMPLE 2

Increased appropriate utility rate: YES, Ad valorem tax rate above the effective tax rate or reached max rate: NO, Has incurred bonded indebtedness: NO

Applicant would receive 25 points

Definitions:

Bonded Indebtedness: bonded indebtedness includes principle and interest.

Utility Rate: water or sewer rates.

Methodology:

Applicant information related to a utility rate or ad valorem tax rate above the effective tax rate or reached maximum rate for the governmental type and bonded indebtedness will be reviewed and points will be assigned. Applicant must provide the official public record to document that a utility rate or the ad valorem tax rate has been raised at least once above the effective tax rate or has reached the maximum rate for the municipality type between January 1, 2008 and January 1, 2010. Bonded indebtedness must have been incurred during this period.

The utility (water or sewer) rate increase and the incurred bonded indebtedness by the applicant or the service provider must be associated with the project submitted for TxCDBG funding to receive the maximum points. Example: If the project is water, then the water rates must have been raised during the applicable period and the bonded indebtedness must be related to water. However, if the application for TxCDBG funding is for both water and sewer projects, then the applicant will receive the maximum points only if one of the rates was increased (water or sewer) and the bonded indebtedness can be related to either water or sewer.

If the applicant's request for TxCDBG funding is not for a water or sewer project, then the applicant will be evaluated for scoring purposes based on an increase in the ad valorem tax rate above the effective tax rate or reaching the maximum rate for that governmental type. The applicant will not be able to receive the maximum points if funding is being requested for a non-water or non-sewer project. Example: If the request for TxCDBG funding is for road improvements, then the documentation related to an increase in the ad valorem tax rate above the effective tax rate or if the maximum rate for the municipality type has been reached will need to be submitted by the applicant to receive the maximum points. The applicant will receive 25 points in this example.

If the applicant has incurred bonded indebtedness, the indebtedness must be specifically related to the applicant's project. If the applicant incurred bonded indebtedness for water, but neither raised the water rates nor increased the ad valorem tax rate above the effective tax rate, or reached the max rate for the municipality type the applicant will receive 25 points. Example: City of ABC has incurred \$500,000 indebtedness due to upgrading water system and City of ABC is applying for first-time water service, City of ABC would list yes as having incurred bonded indebtedness and would respond no to increase in utility rates (water in this case) or ad valorem tax rate above the effective tax rate or reached the maximum rate for the municipality type. The applicant would receive 25 points.

If the application is for multiple projects that includes a water or sewer project and another eligible activity, (i.e. street repair and water) documentation must be provided that shows either the water or sewer rate was increased and bonded indebtedness related to water or sewer as incurred to receive the maximum points. In this example, the water rate and bonded indebtedness would have to be related to water to receive the maximum points.

Data Source: As stated below.

Rate Increase: Official public record of action of the appropriate governing body (examples: ordinance or resolution)

Ad Valorem Tax Rate above Effective Tax Rate: To document the ad valorem tax rate above the effective tax rate for the established periods, newspaper publication reflecting the effective tax rate or the calculation form used to determine the ad valorem tax rate above the effective tax rate. The information must provide the name of the applicant and appropriate timeframe. The established timeframe is defined in the **Information Needed from Applicant to Score**.

Maximum Tax Rate: Certification from Chief Executive Office stating the current Ad Valorem tax rate, maximum constitutional rate for the government type and location in Texas Tax Code where maximum rate is applicable to applicant.

Bonded Indebtedness: Official public record of action of the appropriate governing body (examples: ordinance or resolution).

Project Submitted: CD Application Table 1 Verified By TDRA

Information Needed From Applicant to Score:

Project(s) request for TxCDBG funding is for (mark as many as applicable):

Water_____ Sewer_____ All Other Eligible Activities_____

Rate Increase:

Utility Rates prior to January 1, 2008:_____

Utility Rates Increase between January 1, 2008 and January 1, 2010:_____

Ad Valorem Tax Rate above Effective Tax Rate prior to January 1, 2008: _____

Ad Valorem Tax Rate above Effective Tax Rate Between January 1, 2008 and January 1, 2010:_____

Bonded Indebtedness prior to January 1, 2008: \$_____

Bonded Indebtedness between January 1, 2008 and January 1, 2010: \$_____

• **MATCH LEVERAGE: Total points 25**

3. What is the applicant's match amount? **(25 Points Maximum)**

[Match Amount / TxCDBG Funds Requested= Match Percentage]

Applicant(s) population equal to or less than 500 according to 2000 Census:	
Match equal to or greater than 5% of grant request	25 points
Match at least 4% but less than 5% of grant request	20 points
Match at least 3% but less than 4% of grant request	15 points
Match at least 2% but less than 3% of grant request	10 points
Match less than 2% of grant request	0 points
Applicant(s) population equal to or less than 1,500, but over 500 according to 2000 Census:	
Match equal to or greater than 10% of grant request	25 points
Match at least 7.5% but less than 10% of grant request	20 points
Match at least 5% but less than 7.5% of grant request	15 points
Match at least 2.5% but less than 5% of grant request	10 points
Match less than 2.5% of grant request	0 points
Applicant(s) population equal to or less than 3,000, but over 1,500 according to 2000 Census:	
Match equal to or greater than 15% of grant request	25 points
Match at least 11.5% but less than 15% of grant request	20 points
Match at least 7.5% but less than 11.5% of grant request	15 points
Match at least 3.5% but less than 7.5% of grant request	10 points
Match less than 3.5% of grant request	0 points
Applicant(s) population over 3,000 according to the 2000 Census:	
Match equal to or greater than 20% of grant request	25 points
Match at least 15% but less than 20% of grant request	20 points
Match at least 10% but less than 15% of grant request	15 points
Match at least 5% but less than 10% of grant request	10 points
Match less than 5% of grant request	0 points

Methodology:

The project category for all projects is based on 2000 Census population figures. If the project served beneficiaries for applications submitted by cities, the total city population is used. If the project is for beneficiaries for the entire county, the total population of the county is used. If the project is for activities in an unincorporated area of a county with a target area of beneficiaries, the population category is based on the unincorporated residents for the entire county. For county applications addressing water and sewer improvements in unincorporated areas, the population category is based on the actual number of beneficiaries to be served by the project activities.

For multi-jurisdiction applicants, the applicant with the highest number of beneficiaries will be considered the applicant of record.

Data Source: As stated below.

Applicant Match: SF 424, Resolution, and 3rd Party Letter of Commitment

County Unincorporated Water/Sewer Beneficiaries: CD Application Table 1 Verified By TDRA

Population: 2000 Census Data Summary File 3 Table P1

Information Needed From Applicant to Score:

Applicant Population: _____

County Unincorporated Water/Sewer Beneficiaries: _____

Applicant TxCDBG Funds Requested: \$_____

Applicant Match Amount from All Sources: \$_____

• **PER CAPITA: Total Points 10**

4. What is the per capita income of the census geographic area? **(10 Points Maximum)**

Methodology:

Per capita income may be determined by reviewing the 2000 Census data for the census geographic area. Once this information is obtained for each applicant, and the target area identified on the census map, the average annual per capita income is calculated by dividing the sum of all annual per capita incomes by the total number of applicants.

Next, a base is set to provide a constant for the equation. The base is calculated by multiplying the average per capita income by a set number such as .75 to represent 75%. The base is then divided by the annual per capita income for each applicant. This number is referred to as the annual per capita income (PCI) factor.

Finally to determine the score for each applicant the annual per capita income factor is multiplied by the total maximum allowable points, in this case 10 points. **Any applicants exceeding the total allowed points will be capped at the maximum.**

For example, a region has five applicants. The average annual per capita income of the five applicants is \$34,200. A constant of .75 is multiplied by the annual average per capita income to determine the base (\$25,650). The base is then divided by the annual per capita income of each applicant to determine their per capita income (PCI) factor. Finally, scores for each applicant are determined by multiplying the per capita income factor by the maximum available points (10) for this scoring criterion.

Projects that include multiple jurisdictions, the applicant with the largest percentage (%) of beneficiaries will be considered the applicant of record.

EXAMPLE

Applicant	Per Capita Income (PCI)	PCI Factor	Score
A	\$36,000	.7125	7.125
B	\$32,000	.8016	8.016
C	\$33,500	.7657	7.657
D	\$34,000	.7544	7.544
E	\$35,500	.7225	7.225
Sum	\$171,000		

Average: \$171,000 / 5 = \$34,200 **Base=** .75 * \$34,200 = \$25,650

**** Any applicants exceeding the total allowed points will be capped at the maximum****

*If the target area(s) encompasses more than one census geographic area (such as two or more Census Tracts or Block Groups or any combination of Census Tract(s) and/or Block Group(s)), the per capita income shall be calculated as follow: sum of Aggregate Income in 1999 (P83) of all census geographic areas in the target area divided by the sum of the Total Population (PI) of all census geographic areas in the target area

Data Source: As stated below.

Per Capita Income for Applicant's Jurisdiction: 2000 Census Data Summary File 3, Table P82

Or,

If geographic area contains more than one Census Tract/Block Group: P1 and P83.

Information Needed From Applicant to Score:

Per Capita Income for Applicant's Jurisdiction: \$ _____

• **PREVIOUSLY FUNDED: Total Points 10**

5. Did the applicant receive TxCDBG funding in the previous 2009/2010 Community Development application cycle? **Maximum 10 points**

The applicant **did not** receive TxCDBG funding in the previous 2009/2010 application cycle:

10 points

The applicant **did** receive TxCDBG funding in the previous 2009/2010 application cycle:

0 points

Methodology:

The TDRA tracking system report will be reviewed and points will be assigned. An applicant will be assigned points based on the funding category that would result in the most points. An applicant may not receive cumulative points. Multi-jurisdiction applicants will be assigned points based on an evaluation of each of the participating jurisdiction's funding and the highest points will be assigned. The multi-jurisdiction applicant may only be scored under one of the scoring categories. Applicants that received partial or marginal funding will be considered having received funding.

Data Source: TDRA Tracking System Report

Information Needed from Applicant To Score:

Applicant received funding in the previous 2009/2010 funding cycle to include CD, CDBG-R and RSF:

Yes _____ No _____

List Contract No.(s):
